

Fair Political Practices Commission
MEMORANDUM

To: Chairman Johnson and Commissioners Hodson, Huguenin, Leidigh, and Remy

From: Hyla P. Wagner, Senior Commission Counsel
Scott Hallabrin, General Counsel

Subject: Committee Names – Adoption of Amendments to Regulations 18402 and 18450.3

Date: December 26, 2008

Proposed Commission Action and Staff Recommendation: Staff recommends adoption of amendments to Regulations 18402 and 18450.3 concerning committee names. The amendments add the candidate's name, office sought, and year of the election to certain committee names. For primarily formed ballot measure committees, the amendments require the economic or special interests of the committee's top donors to be listed in descending order.

As of this writing, we have not received public comments on the proposed changes beyond those made at the October hearing. We have made two minor changes to the regulations since the prenotice hearing. In Regulation 18402, we modified the effective date of a new committee name requirement for some local candidates who may still redesignate a committee for a future election. (Paragraph (c)(2).) In Regulation 18450.3, we deleted a paragraph requiring a primarily formed ballot measure committee to update its name monthly, if necessary, in favor of the existing rules in Section 84103 and 18450.5, requiring a committee to update its name within 10 days of when a change occurs.

Background¹: A committee's name is one of the first pieces of information about a political committee that the public sees or hears. A committee's name appears on all the committee's political mailings, fundraising mailings, and television and radio ads, informing the public who sent or paid for a communication as required by the Act's sender identification and advertisement disclosure provisions and the Federal Communication Commission's sponsor identification provisions. (Sections 84305, 84501-84510, and 47 CFR §73.1212 and 76.1615.) As discussed at the October Commission meeting, minor amendments are being proposed to the committee name regulations to increase the clarity of political committee names.

Regulation 18402 - Committee Names. Regulation 18402 sets forth basic information that committee names must contain.² The proposed amendments to Regulation 18402 would move some language concerning ballot measure committee names to Regulation 18450.3 and would make the additional five changes:

¹ Additional information about these regulatory amendments is contained in the prenotice memorandum dated September 30, 2008, available at <http://www.fppc.ca.gov/agendas/10-08/18402memo.pdf>.

² Regulation 18402 is enacted under the authority of Section 84102 which requires a committee to state its name, address, principal officers, and other fundamental information on its statement of organization.

1. *Include the candidate's name in all controlled committees' names.* Paragraph (c)(1) provides that the name of the candidate shall be included in all the candidate's controlled committees, including a candidate-controlled ballot measure committee. Having the candidate's name in all candidate-controlled committees informs the public about who is involved with the committee and enables the public to easily retrieve all of a given candidate's committees when searching campaign reports in the Cal-Access system.

2. *For candidate election committees, include the office sought and year of the election in committee name.* Candidates are required to form one committee per election under the one bank account rule, the Act's contribution limits, and the committee termination rules. (Sections 85201, 85301, and Regulation 18404.) As a result, a candidate may have several committees in existence from recent or future elections. Adding the office sought and year of election to the committee name in paragraph (c)(2), links the committee to a particular election and assists in tracking the contribution limits.

3. *Additional disclosure in the names of independent expenditure committees supporting or opposing candidates.* Committees set up to make independent expenditures for or against candidates can be difficult for the public to identify. Paragraph (c)(3) requires that a committee primarily formed to support or oppose the election of a candidate include the last name of the candidate the committee supports or opposes, the office sought, year of the election, and state whether the committee supports or opposes the candidate.

4. *Other committee name requirements.* Paragraph (c)(4) refers the reader to rules about committee names found in other sections of the Act and regulations.

5. *Committee Identification Number.* Paragraph (c)(5) requires committees that file electronically with the Secretary of State to include their committee identification number at the end of their name in the "committee name" field of their electronic reports. (This provision does not apply to candidates' election committees.) This change stems from the Commission's June 2008 report analyzing independent expenditures. Adding the committee identification number at the end of the name field in electronic reports will assist in identifying committees whose names have changed and improve the disclosure of campaign funds transferred from one committee to another.

Regulation 18450.3. Committee Name Identification. Advertisement Disclosure.

The advertisement disclosure provisions of the Act contain committee name rules that apply to all primarily formed ballot measure committees. Section 84504 of the Act requires that "[a]ny committee that supports or opposes one or more ballot measures shall name and identify itself using a name or phrase that clearly identifies the economic or other special interest of its major donors of . . . \$50,000 or more" The proposed change to Regulation 18450.3 will require the economic/special interest of the \$50,000 donors to be listed in descending order. (Paragraph (b)(4).) Listing the economic interests/donors in descending order of the amount of contributions they have made to the committee will improve the sponsorship information provided to the public in ballot measure committee names.